

Message Text

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FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC IMMEDIATE 8827

C O N F I D E N T I A L KINSHASA 6125

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E.O. 11652: GDS

TAGS: ECON, EAID, CG

SUBJECT: IBRD CONSULTATIVE GROUP FOR ZAIRE

REF: (A) KINSHASA 6052; (B) KINSHASA 5794

1. IBRD ZAIRE DESK HEAD WIEHEN CALLED JULY 16, DAY BEFORE HIS DEPARTURE, TO BRING ME UP TO DATE ON HIS TALKS HERE WITH GOZ OFFICIALS AND DONOR REPS. HE SAID NEITHER FINANCE MINISTER BOFOSSA NOR MINISTER OF PORTFOLIO MAMBU HAD COMMENTED ON SUBSTANCE OF HIS PRESENTATION RE BANK'S REORGANIZATION PLANS AND PROPOSAL TO CONVENE CONSULTATIVE GROUP. ON THE OTHER HAND, BELGIAN AND FRENCH AMBASSADORS HAD EXPRESSED SUPPORT FOR CONSULTATIVE GROUP, WITH FORMER INDICATING HE WOULD DISCUSS IT WITH BISENGIMANA. GERMAN CHARGE HAD SAID SIMPLY HE WOULD INFORM HIS GOVERNMENT. WIEHEN SAID HE WAS THEREFORE LEAVING KINSHASA WITH IMPRESSION CONSULTATIVE GROUP PROPOSAL WOULD BE SUPPORTED BY PRINCIPAL DONORS WHILE GOZ'S POSITION REMAINED TO BE DETERMINED.

2. WIEHEN SAID HIS DISCUSSIONS LED HIM TO CONCLUSION THAT IT WOULD PROBABLY NOT BE FEASIBLE FOR CONSULTATIVE GROUP TO MEET BEFORE EARLY NEXT YEAR. HE THOUGHT GOZ WOULD NEED AT LEAST REST OF YEAR TO IMPROVE IMPLEMENTATION OF FINANCIAL REFORMS; AND HE AGREED WITH GUETTA'S VIEW (REF B) THAT NEW IBRD REPORT
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SHOULD BE AVAILABLE TO PARTICIPANTS BEFORE MEETING HELD.

WIEHEN ALSO THOUGHT MEETING SHOULD BE HELD IN PARIS IN AS INFORMAL AND PUBLICITY-FREE ATMOSPHERE AS POSSIBLE.

3. ON JULY 19, ROBERTO CHADWICK, CHILEAN WHO IS TEMPORARILY IN CHARGE OF RESIDENT IBRD MISSION PENDING RETURN OF NEW MISSION HEAD SONMEZ NEXT MONTH, CALLED ON ME TO REVIEW WIEHEN'S CONSULTATIONS AND BANK'S STRATEGY FOR IMMEDIATE FUTURE. CHADWICK'S ACCOUNT SQUARED WITH WHAT WIEHEN HAD TOLD ME, EXCEPT HE NOTED THAT BOFOSSA HAD COMPLAINED THAT BANK'S DECISION WAS POORLY TIMED: TOO LATE AFTER BEGINNING OF STABILIZATION PROGRAM TO AFFECT IT AND TOO EARLY TO SEE WHAT RESULTS OF PROGRAM WILL BE. CHADWICK ACKNOWLEDGED THAT BISENGIMANA HAD REACTED BADLY TO THE BANK'S INITIATIVE AND SAID FOR THE NEXT SEVERAL WEEKS HE WOULD PROCEED CAUTIOUSLY IN FOLLOWING UP WIEHEN'S TALKS WITH FURTHER DISCUSSIONS WITH GOZ. HE EXPRESSED PERSONAL VIEW THAT DONOR GOVERNMENTS SHOULD WAIT A COUPLE OF WEEKS OR SO BEFORE MAKING THEIR OWN APPROACHES TO GOZ IN SUPPORT OF CONSULTATIVE GROUP, THEREBY GIVING BANK CHANCE TO PURSUE ITS OWN CASE WITH GOZ AND AVOID CREATING THE IMPRESSION OF GANGING UP ON ZAIRE.

4. IMMEDIATELY FOLLOWING MEETING WITH CHADWICK I WENT TO SEE CENTRAL BANK GOVERNOR SAMBWA, AT HIS REQUEST. WHILE SAMBWA HAD OTHER MATTERS TO DISCUSS, I BELIEVE THE IBRD'S PROPOSAL WAS HIS MAIN CONCERN. IN BRIEF, SAMBWA WANTED TO CONVEY TO ME HIS FEAR THAT PRESIDENT MOBUTU, AT BISENGIMANA'S URGING, WOULD REACT NEGATIVELY TO MCNAMARA'S LETTER AND THE WHOLE MATTER WOULD HAVE A DAMAGING PSYCHOLOGICAL IMPACT ON ZAIRE'S EFFORTS TO ENLIST AND MAINTAIN INTERNATIONAL SUPPORT FOR ITS EFFORTS TO COPE WITH THE CURRENT FINANCIAL CRISIS. WHILE SAMBWA DID NOT MAKE THE POINT DIRECTLY TO ME, HE CONVEYED VIA AN INTERMEDIARY THE ADDITIONAL VIEW THAT BISENGIMANA, AND PERHAPS MOBUTU TOO, MIGHT SUSPECT THE US WAS SOMEHOW INVOLVED IN THE IBRD'S DECISION TO SCALE DOWN ITS HELP TO ZAIRE. ANOTHER POINT WHICH SAMBWA DID NOT MAKE EXPLICITLY, BUT WHICH I BELIEVE WAS CLEARLY AND PERHAPS UPPERMOST ON HIS MIND WAS CONCERN THAT BISENGIMANA MIGHT SEEK TO PERSUADE THE PRESIDENT THAT SAMBWA HIMSELF WAS PARTIALLY TO BLAME FOR THE IBRD'S DECISION.

5. IT IS APPARENT THAT THIS WHOLE ISSUE IS GETTING INCREASINGLY CONFIDENTIAL

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COMPLICATED BY PERSONAL DISPUTES WITHIN BOTH THE IBRD AND THE GOZ. WHAT IS LESS CLEAR IS THE EXTENT TO WHICH ALLEGATIONS CONCERNING BISENGIMANA'S ATTITUDES ARE CORRECT AND HOW HE INTENDS TO PLAY THE MATTER WITH MOBUTU WHEN THE LATTER RETURNS, REPORTEDLY LATER THIS WEEK. THIS I INTEND TO DETERMINE BY RAISING THE MATTER IN LOW KEY WITH BISENGIMANA AT AN EARLY DATE, PERHAPS TODAY. DEPENDING ON THE RESULTS OF MY TALK WITH HIM, IT MAY BE ADVISABLE FOR US TO APPROACH MOBUTU DIRECTLY, PARTICULARLY

IF IT APPEARS THAT MOBUTU SHARES BISENGIMANA'S IRE AND IS ABOUT TO FIRE OFF AN ILL-CONSIDERED REPLY TO MCNAMARA. TO DO SO COULD, OF COURSE, FURTHER IRRITATE AN ALREADY SKEPTICAL IBRD, MAKE THE IBRD EVEN LESS INCLINED IN THE FUTURE TO PLAY A HELPFUL ROLE (INCLUDING POSSIBLE FUTURE FINANCING OF SMTF) AND SCUTTLE CHANCES OF IBRD-GOZ COOPERATION IN GETTING THE CONSULTATIVE GROUP GOING AGAIN. ON THE OTHER HAND, I DO NOT BELIEVE WE SHOULD EMBROIL OURSELVES IN AN IBRD-GOZ DISPUTE ANY MORE THAN WE HAVE TO; TO DO SO COULD SERVE TO STRENGTHEN ANY GOZ SUSPICIONS THAT WE ARE TEAMING UP WITH THE BANK AGAINST ZAIRE -- SUSPICIONS WHICH MAY ALREADY EXIST AS REFLECTED BY MOBUTU'S AND BISENGIMANA'S ADVERSE REACTIONS TO OUR RESERVATIONS EXPRESSED AT LAST MONTH'S PARIS CLUB MEETING. AND IF WE SHOULD HAVE TO GET INVOLVED, I BELIEVE OUR EFFORTS SHOULD BE LIMITED TO TRYING TO SEPARATE OUT AND THEREBY SALVAGE THE IDEA OF REACTIVATING THE CONSULTATIVE GROUP.

6. FOR THE TIME BEING, I REITERATE MY RECOMMENDATION THAT WE SHOULD TRY TO GET A BETTER VIEW OF WHERE THIS MATTER IS HEADING -- INCLUDING ATTITUDES OF THE GOZ, IBRD AND OUR DONOR COLLEAGUES -- BEFORE WE MOVE TOO FAR INTO WHAT IS OBVIOUSLY BECOMING A DELICATE MATTER BOTH WITHIN THE GOZ AND FOR THE BANK. IN THIS CONNECTION, I TEND TO BE SOMEWHAT SKEPTICAL OF WIEHEN'S CONTENTION, BASED ON HIS TALKS HERE WITH AMBASSADORS, THAT THE MAJOR DONOR COUNTRIES WILL IN FACT SUPPORT A CALL FOR CONSULTATIVE GROUP MEETING. REGARDLESS OF WHAT THEY MAY HAVE SAID, MY GUESS IS THAT THE FRENCH, AND PROBABLY THE BELGIANS TOO, WILL WANT TO ASSESS CAREFULLY THE GOZ'S REACTION BEFORE FULLY COMMITTING THEMSELVES ON THIS ISSUE.

7. TO DATE I HAVE RECEIVED NO OFFICIAL US POSITION RE RECONVENING THE CONSULTATIVE GROUP OR INSTRUCTIONS TO SUPPORT IN ANY WAY THE IBRD'S INITIATIVE.
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WHILE FOR THE TIME BEING I WILL CONTINUE TO LIMIT MY APPROACHES TO LOW-KEY CONSULTATIONS ON GOZ AND ONOR-COUNTRY ATTITUDES AND INTENTIONS, THE DEPARTMENT SHOULD KEEP IN MIND THAT THE NEED MAY DEVELOP QUITE RAPIDLY FOR ACTION ON OUR PART TO PREVENT THE CONSULTATIVE GROUP FROM BEING STILL-BORN.
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